



BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds
(and Authorization for Direct Payment of Royalties)

JURISDICTION: Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: VC-537869

TRACT(S): A portion of 6

LOCATION: DICKENSON County, Virginia

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this order are shown on: Exhibit B

DOCKET NUMBER: VGOB-07-1016-2046-01

APPLICANTS: EQT Production Company on behalf of Edward Galyon and Rebecca J. Galyon

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
March 19, 2013 and April 16, 2013

APPEARANCES: James Kaiser on behalf of EQT Production Company

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 12/05/2007, Recorded on 12/17/2007, Deed Book/Instrument No. 446, Page 726.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the March 19, 2013 hearing and was continued to April 16, 2013 where the Board considered whether to:

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) A portion of 6 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 6 relative to the interests of the Applicants identified in the attached petition.

(3) Continue the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

Permanent Release of CBM Royalty letter dated February 22, 2011 from Range Resources-Pine Mountain, signed by Jerry Grantham, Vice President, waiving any claim to past or future royalties attributable to Edward Galyon and Rebecca J. Galyon for coalbed methane gas interests on the 128 acre tract. A portion of this tract is listed as Tract 6 on the plat for Well VC-537869.

RELIEF GRANTED:

VGOS Disbursement
Unit VC-537869

VGOS-07-1016-2046-01

Table 1
Tracts: A portion of 6

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			in Tract	inTract	Agreement	Disbursed	Disbursed
		Total acreage in escrow before disbursement				11.15000	
	6	Tract 6 (total acreage)		9.30			
1	6	Edward Galyon and Rebecca J. Galyon\12113 South Piney Point Road, Bishopville, MD 21813		4.6500	100.00%	4.6500	41.7040%

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.

2. The Escrow Agent is ordered to continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

DB 509
P6126

CONCLUSION:

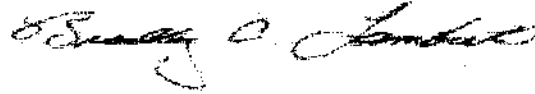
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

APPEALS:

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

DB 509 PG 127

DONE AND EXECUTED this 25 day of April, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

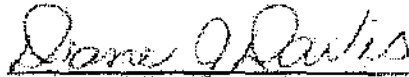
DONE AND PERFORMED this 25 day of April, 2013 by Order of the Virginia Gas and Oil Board.



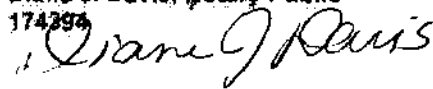
Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

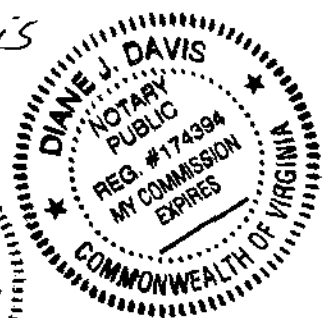
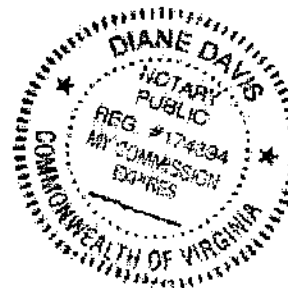
Acknowledged on this 25th day of April, 2013 personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.



Diane J. Davis, Notary Public
174394



My Commission expires: September 30, 2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EQT Production Company

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 07-1016-2046-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) A portion of 6
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: February 19, 2012

DRILLING UNIT: VC-537869

DICKENSON COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is EQT Production Company, 225 North Shore Drive, Pittsburgh, PA 15212, (412)553-5700. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660.

2. Relief Sought

A petition for disbursement of Escrowed Funds from EQT Production Company on behalf of Edward Galyon and Rebecca J. Galyon, h/w for Drilling Unit Number VC-537869 created by Board Order Dated 12/17/2007 VGOB 07/10/16-2046 in Dickenson County, Virginia. Requesting disbursement of escrowed funds for interests of Edward Galyon and Rebecca J. Galyon held in Tract 6 of Drilling Unit Number VC-537869 located in Sandlick District of Dickenson County.

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

Coalbed Methane

5. Factual basis for relief requested

Permanent Release of CBM Royalty letter dated February 22, 2011 from Range Resources-Pine Mountain, signed by Jerry Grantham, Vice President, waiving any claim to past or future royalties attributable to Edward Galyon and Rebecca J. Galyon for coalbed methane gas interests on the 128 acre tract. A portion of this tract is listed as Tract 6 on the plat for Well VC-537869.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

LATITUDE 3710'00"

LONGITUDE 82°15'00" — 3110' —

TABLE

(AFFIX SEAL)

Page Number 6.

BK 446PG 738

①

Lease No. 241490L / T-283
 B.H. EDWARDS
 274.37 ACRES
 HEARTWOOD FORESTLAND FUND IV - Surface
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
 LAND & RESERVES, LLC/ACIN, LLC/WRD, LLC - Coal
 PINE MOUNTAIN OIL & GAS, INC. - Oil, Gas & CBM
 GAS 40.15 AC. - 88.32%

②

Lease No. 241490L / T-283
 B. H. EDWARDS
 30.00 ACRES
 RUTH & RUAL FULLER - Surface
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
 LAND & RESERVES, LLC/ACIN, LLC/WRD, LLC - Coal
 UNLEASED
 DOMINION MINING COMPANY - Oil, Gas (CBM)
 PINE MOUNTAIN OIL & GAS, INC. - (CBM)
 GAS 1.85 AC. - 3.15%

③

Lease No. 242008L
 NELSON C. & MINNIE C. EDWARDS - oil, gas (CBM)
 51.10 ACRES
 LEASE No. 244792 TC-181
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND
 & RESERVES, LLC/ACIN, LLC/WRD, LLC - Coal
 PINE MOUNTAIN OIL & GAS, INC. - (CBM)
 GAS 0.50 AC. - 0.85%

④

Lease No. 241490L / T-303
 JOHN HAY
 199.61 ACRES
 RUTH & RUAL FULLER - Surface
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
 LAND & RESERVES, LLC/ACIN, LLC/WRD, LLC - Coal
 PINE MOUNTAIN OIL & GAS, INC. - Oil, Gas & CBM
 GAS 3.45 AC. - 5.87%

⑤

Lease No. 241840L / T2-36
 B.H. EDWARDS
 34.00 ACRES (p.o. 119.64 Acres)
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
 LAND & RESERVES, LLC/ACIN, LLC/WRD, LLC - Coal
 PINE MOUNTAIN OIL & GAS, INC. - Oil, Gas & CBM
 GAS 3.10 AC. - 5.28%

⑥

Lease No. 243401L
 RICHARD EDWARDS, et al. - oil, gas (CBM)
 Lease No. 244792 / TC-182
 C.A. WILLIS
 128.00 ACRES
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &
 RESERVES, LLC/ACIN, LLC/WRD, LLC - Coal
 PINE MOUNTAIN OIL & GAS, INC. - (CBM)
 GAS 9.30 AC. - 15.82%

⑦

Lease No. 241490L / T-230
 JOHN ANDERSON
 123.50 ACRES
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
 LAND & RESERVES, LLC/ACIN, LLC/WRD, LLC - Coal
 PINE MOUNTAIN OIL & GAS, INC. - Oil, Gas & CBM
 GAS 0.42 AC. - 0.71%



THOMPSON & LITTON

312 Glenwood Main Street
 Suite 201
 P.O. Box 1849
 Clintwood, Virginia 24228

EQUITABLE PRODUCTION COMPANY
WELL No. VC-537869
WELL FLAT SUPPLEMENT
SHEET 2

PROJECT No.:
 VC-537869

SCALE: 1" = 400'

DATE: September 6, 2007

VGOB Disbursement

Unit VC-537869

VGOB-07-1016-2046-01

Table 1

Tracts: A portion of 6

Item	Tract	Disbursement Table	Fractional Ownership in Tract	Net Acreage in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed	Disbursement
		Total acreage in escrow before disbursement				11.15000		
	6	Tract 6 (total acreage)		9.30				
1	6	Edward Galyon and Rebecca J. Galyon\12113 South Piney Point Road, Bishopville, MD 21813		4.6500	100.00%	4.6500	41.7040%	\$2,740.36

Wells contributing to the escrow account: VC-537869 W/PL

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EXHIBIT "B"
VC-537869
VGOB 07/10/16-2046

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1 TAX ID 20464	Pine Mountain Oil and Gas, INC. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241490 T-283	68.320000%	40.1500	0.08540000	RI
	Equitable Production				0.59780000	WI
Tract 1 Totals			68.320000%	40.1500	0.68320000	
2 TAX ID Minerals Only	Dominion Mining Company Unknown Stockholders of Dominion Mining Company	Unleased	3.150000%	1.8500	0.00393750	RI
	Equitable Production				0.02756250	WI
Tract 2 Totals			3.150000%	1.8500	0.03150000	
3 TAX ID 7392	Nelson C. Edwards and Minnie C. Edwards, h/w P.O. Box 101 Birchleaf, VA 24220	Leased 242008	0.637500%	0.3750	0.00079688	RI
	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792/ TC-181	0.212500%	0.1250	0.00026563	
	Equitable Production				0.00743750	WI
Tract 3 Totals			0.850000%	0.5000	0.00850000	
4 TAX ID 20483	Pine Mountain Oil and Gas, INC. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241490 T-303	5.870000%	3.4500	0.00733750	RI
	Equitable Production				0.05138250	WI
Tract 4 Totals			5.870000%	3.4500	0.05870000	
5 TAX ID 20964	Pine Mountain Oil and Gas, INC. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241640 T2-36	5.280000%	3.1000	0.00660000	RI
	Equitable Production				0.04620000	WI
Tract 5 Totals			5.280000%	3.1000	0.05280000	

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6	Richard Wade Edwards and TAX ID 6985 Rita Owens Edwards, h/w P.O. Box 127 Birchleaf, VA 24220	Leased 243401	7.910000%	4.6500	0.00988750	RI
	Rebecca J. Galyon and Edward Galyon, w/h 12113 South Piney Point Bishopville, MD 21813	Leased 243401	7.910000%	4.6500	0.00988750	RI
	Equitable Production				0.13842500	WI
Tract 6 Totals			15.820000%	9.3000	0.15820000	
7	Pine Mountain Oil and Gas, INC. TAX ID 20410 Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241490 T-230	0.710000%	0.4200	0.00088750	RI
	Equitable Production				0.00621250	WI
Tract 7 Totals			0.710000%	0.4200	0.00710000	
TOTAL GAS ESTATE			100.000000%	58.7700	1.00000000	
Coal Estate Only						
1	Pine Mountain Oil and Gas, INC. TAX ID 20464 Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241490 T-283	68.320000%	40.1500	0.08540000	RI
	Equitable Production				0.59780000	WI
Tract 1 Totals			68.320000%	40.1500	0.68320000	
2	Pine Mountain Oil and Gas, INC. TAX ID 20464 Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241490 T-283	3.150000%	1.8500	0.00393750	RI
	Equitable Production				0.02756250	WI
Tract 2 Totals			3.150000%	1.8500	0.03150000	
3	Pine Mountain Oil & Gas, Inc. TAX ID # 12425 ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792/ TC-181	0.850000%	0.5000	0.00106250	RI
	Equitable Production				0.00743750	WI
Tract 3 Totals			0.850000%	0.5000	0.00850000	
4	Pine Mountain Oil & Gas, Inc. TAX ID # 20483 ATTN: Jerry Grantham P.O. Box 2136	Leased 241490/ T-303	5.870000%	3.4500	0.00733750	RI

Abingdon, VA. 24212

Equitable Production				0.05136250	WI
Tract 4 Totals			5.870000%	3.4500	0.05870000
5	Pine Mountain Oil & Gas, Inc.	Leased	5.280000%	3.1000	0.00660000
TAX ID # 20964	ATTN: Jerry Grantham	241640/ T2-36			RI
	P.O. Box 2136				
	Abingdon, VA. 24212				
Equitable Production				0.04620000	WI
Tract 5 Totals			5.280000%	3.1000	0.05280000
6	Pine Mountain Oil & Gas, Inc.	Leased	15.820000%	9.3000	0.01977500
TAX ID # 11924	ATTN: Jerry Grantham	244792/ TC-182			RI
	P.O. Box 2136				
	Abingdon, VA. 24212				
Equitable Production				0.13842500	WI
Tract 6 Totals			15.820000%	9.3000	0.15820000
7	Pine Mountain Oil & Gas, Inc.	Leased	0.710000%	0.4200	0.00088750
TAX ID # 20410	ATTN: Jerry Grantham	241490/ T-230			RI
	P.O. Box 2136				
	Abingdon, VA. 24212				
Equitable Production				0.00621250	WI
Tract 7 Totals			0.710000%	0.4200	0.00710000
TOTAL			100.000000%	58.7700	1.00000000

EXHIBIT "E"
VC-537869

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
2	Dominion Mining Company Unknown Stockholders of Dominion Mining Company TAX ID Minerals Only	Unleased	3.150000%	1.8500
6	Richard Wade Edwards and Rita Owens Edwards, h/w P.O. Box 127 Birchleaf, VA 24220 TAX ID 8985	Leased 243401	7.910000%	4.6500
TOTAL			11.060000%	6.5000

<u>Coal Estate Only</u>				
2	Pine Mountain Oil and Gas, INC. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 TAX ID 20464	Leased 241490 T-283	3.150000%	1.8500
6	Pine Mountain Oil and Gas, INC. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 TAX ID # 11924	Leased 244792/ TC-182	7.910000%	4.6500
TOTAL			11.060000%	6.5000

EXHIBIT "EE"

VC-537869

4/4/2011

Revised 2/7/2013

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
6 TAX ID 6985	Rebecca J. Galyon and Edward Galyon, w/h 12113 South Piney Point Bishopville, MD 21813	Leased 243401	7.910000%	4.6500
Total			7.910000%	4.6500

RECORDED IN THE CLERK'S OFFICE OF
JULY 18, 2013 A 12117-1
BYWARD A. EDWARDS, CLERK
RECORDED BY JES